


To: (Bank or Trust Company)	 Washington State Department of Transportation Escrow Agreement	
Branch		
Address		
		Escrow Account Number
		Contract Number

The undersigned, _____ hereinafter referred to as the Contractor, has directed the Department of Transportation, hereinafter referred to as the Agency, to deliver to you its warrants or checks which shall be payable to you for the Contractor. Such warrants or checks are to be held and disposed of by you in accordance with the following instructions and upon the terms and conditions hereinafter set forth.

Instructions

1. The Agency shall deliver to you from time to time checks or warrants payable to you for the Contractor. You are hereby authorized by the Contractor to endorse any such check or warrant so that you may receive the proceeds thereof and invest the same. The power of endorsement hereby granted to you by the Contractor shall be deemed a power coupled with an interest and shall be irrevocable during the term of this escrow. Although you may be a payee named in such warrants or checks as shall be delivered to you, your duties and responsibilities with respect to the same shall be only those duties and responsibilities which a depository bank would have pursuant to Article 4 of the Uniform Commercial Code of the State of Washington for an item deposited with it for collection as of the date such check or warrant shall be delivered to you. The proceeds from collections shall be used by you to purchase, as directed by the Contractor, bonds or other securities chosen by the Contractor and approved by you, and the Agency. For the purpose of each such purchase, you may follow the last written direction received by you from the Contractor, provided such direction otherwise conforms with the restrictions on investments recited herein. Attached is a list of such bonds, or other securities approved by the Agency. No further approval is necessary if any of these bonds or securities are selected by the Contractor, subject to express written approval of you and the Agency. Purchase of such bonds or other securities shall be in a form which shall allow you alone to reconvert such bonds or other securities into money if you are required to do so by the Agency as provided in paragraph 4 of this Escrow Agreement.

The investments selected by the Contractor, approved by the Agency and purchased by you must mature on or prior to the date set for the completion of the contract, including extensions thereof or thirty days following the final acceptance of said improvement or work.

2. When and as interest on the securities held by you pursuant to this agreement accrues and is paid, you shall collect such interest and forward it to the Contractor at its address designated below unless with your written consent you are otherwise directed in writing by the Contractor.

3. You are not authorized to deliver to the Contractor all or any part of the securities held by you pursuant to this agreement (*or any monies derived from the sale of such securities, or the negotiation of the Agency's warrants or checks*) except in accordance with written instructions from the Agency. The Agency shall inform you and keep you informed in writing of the name of the person or persons with authority to give you such written instructions. Compliance with such instructions shall relieve you of any further liability related thereto. The estimated completion date on the contract underlying this Escrow Agreement is _____ . Upon request by you, the Agency shall advise you in writing of any change in the estimated completion date. If the estimated completion date is changed you are authorized to reinvest the monies held hereunder in accordance with the new estimated completion date.
4. In the event the Agency orders you to do so in writing, and notwithstanding any other provisions of this agreement, you shall, within thirty-five (35) days of receipt of such order, reconvert into money the securities held by you pursuant to this agreement and return such money together with any other monies, including accrued interest on such securities, held by you hereunder, to the Agency.
5. The Contractor agrees to pay you as compensation for your services hereunder as follows:
- _____
- _____
- _____
- Payment of all fees shall be the sole responsibility of the Contractor and shall not be deducted from any property placed with you pursuant to this agreement until and unless the Agency directs the release to the Contractor of the securities and monies held hereunder whereupon you shall be granted a first lien upon such property released and shall be entitled to reimburse yourself from such property for the entire amount of your fees and any unanticipated amounts which might be owing as provided for herein. In the event that you are made a party to any litigation with respect to the property held by you hereunder, or in the event that the conditions of this escrow are not promptly fulfilled or that you are inquired to render any services not provided for in these instructions, or that there is any assignment of the interests of this escrow or any modification hereof, you shall be entitled to reasonable compensation for such extraordinary services from the Contractor and reimbursement from the Contractor for all costs and expenses, including attorney fees occasioned by such default, delay, controversy or litigation.
6. Should you at any time and for any reason desire to be relieved of your obligations as escrow holder hereunder, you shall give written notice to the Agency and Contractor. The Agency and Contractor shall, within 20 days of the receipt of such notice, jointly appoint a successor escrow holder and instruct you to deliver all securities and funds held hereunder to said successor. If you are not notified of the appointment of the successor escrow holder within 20 days, you may return the subject matter hereof to the Agency and upon so doing, it absolves you from all further charges and obligations in connection with this escrow.
7. This agreement shall not be binding until executed by you, the Contractor, and accepted by the Agency.

8. This instrument contains the entire agreement between you, the Contractor and the Agency with respect to this escrow and you are not a party to nor bound by any instrument or agreement other than this; you shall not be required to take notice of any default or any other matter, nor be bound by nor required to give notice or demand, nor required to take any action whatever except as herein expressly provided; you shall not be liable for any loss or damage not caused by your own negligence or willful misconduct.
9. The foregoing provisions shall be binding upon the assigns, successors, personal representatives and heirs of the parties hereto.

The undersigned have read and hereby approve the instructions as given above governing the administration of this escrow and do hereby execute this agreement this _____ day of _____, _____.

_____ Contractor	_____ Bank or Trust Company
_____ Title	_____ Escrow Account Number
_____ Address	_____ Authorized Signature
_____ City, State, Zip Code	

The above escrow agreement received and accepted by Bank or Trust Company, this _____ day of _____, _____.

Department of Transportation
Agency

William C. McGourin, Accounting Services Manager

The escrow agreement accepted this _____ day of _____, _____.

List of Type of Bonds or Securities that are Approved by the Department of Transportation

Please indicate which type of Bonds or Securities that have been selected by checking the appropriate number below.

1. ☐ Bills, certificates, notes or bonds of the United States.
2. ☐ Other obligations of the United States or its agencies.
3. ☐ Obligations of any corporation wholly-owned by the government of the United States.
4. ☐ Indebtedness of the Federal National Mortgage Association.
5. ☐ Time deposits in Commercial Banks, Mutual Savings Banks or Savings and Loan Associations.
6. ☐ Interest Bearing Accounts

When an election is made to deposit amounts reserved in an interest bearing account in a bank, mutual savings bank, or savings and loan association, the contractor is to select an institution. Any bank selected must be a qualified public depository under RCW 39.58.010.

Deposits in an interest bearing account are to be in the name of the Department and are not to be allowed to be withdrawn without the Department's written authorization. The amounts deposited are not to be subject to withdrawal until after final acceptance of said improvement or work as completed, or until agreed to by both parties.

Interest earned on deposits is to be paid to the contractor as said interest becomes payable under the terms of the deposit. The account is to be appropriately noted by the bank, savings bank, or savings and loan association to enable that institution to report interest payments made to the contractor to the Internal Revenue Service in the proper format.

In no event shall the Department of Transportation approve investments in stock of any company, association or corporation. In all cases, the investments selected must mature on or prior to the date set for completion of the contract, including extensions thereof.